

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

JULY 1, 2014

**AGENDA ITEM #S-2 (DHS FISCAL OUTLOOK UPDATE)**

As indicated in the Department of Health Services' (DHS) Fiscal Outlook update (Board Agenda Item S-2 of July 1, 2014), DHS continues to face fiscal uncertainty related to the implementation of the Affordable Care Act (ACA). The Department is reviewing the impact of the ACA on its operations and finances, and while the data is expected to become more accurate over time, DHS' revenue projections are still volatile and subject to material change.

In the Fiscal Year (FY) 2013-14 Final Adopted Budget, the Board approved the creation of a reserve account to help the County address these uncertainties. The reserve account titled "Committed for DHS Operations" was funded with one-time net County cost of \$16.0 million. DHS is currently projecting a surplus of \$94.1 million for FY 2013-14 in today's Fiscal Outlook update. In the interest of fiscal prudence, the Department should continue investing surplus funds in this reserve account.

**I, THEREFORE, MOVE** that the Board of Supervisors direct the Chief Executive Officer, in conjunction with the Director of Health Services and the Auditor-Controller, to report back to the Board with a recommendation to move a portion of these one-time surplus funds to the Committed for DHS Operations reserve account in the FY 2014-15 Final Adopted Budget. As part of this recommendation, the CEO should also consider and report back on any other fiscal requirements that could limit the amount of surplus funds dedicated to this account.

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**MOTION**

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RIDLEY-THOMAS	_____
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